

System of Payments in Part C



Use of Public
& Private
Insurance



What was...

The price of
1 gallon of gas
in 1962?

31
cents!



What was...



Tuition at **Harvard**
in 1962?

\$1,520!



And now?

In this module, you'll learn:

About the use of funds in Part C, *including*:

When Part C funds may be used (⊘ when they may *not*)

Who pays for Part C services

What information must be included in a State's written policies

When a family's public benefits or insurance may be used

When a family's private insurance may be used

**\$ 419.7
million?**





What must a State's written policies include related to Part C fiscal requirements?

Each State must have written policies that describe:

- how Part C funds will be used in the State, and
- how other sources of funding will be involved in paying for and/or providing Part C services

If State establishes a **system of payments** for EI services, including use of—

- public insurance or benefits
- private insurance
- family costs or fees

That system must be described in its policies, too



For what activities or expenses may the lead agency use Part C funds?

For activities or expenses that are **reasonable** & **necessary**

for implementing the State's EI program

- Providing direct EI services not funded through other public or private sources
- Expanding & improving services that are otherwise available
- Providing FAPE to children with disabilities from their 3rd birthday to the beginning of the next school year

Q: When may Part C funds be used?

Part C funds may be used *only* as the **payor of last resort** for EI services

This means that

Part C funds may be used *only* for EI services that an infant or toddler with a disability *needs*

but is not currently entitled to receive or have paid for by another public or private source*

* *Subject to the State's system of payments, where appropriate*



If there's a **dispute** as to which agency is ultimately responsible for payment

Part C funds *may* be used to prevent a delay in the provision of EI services



Expectation | That Part C funds will be **reimbursed** once the responsible agency is identified



How does the State determine *who* has financial responsibility for providing EI services?

Interagency Coordination!

Between
Part C's
lead
agency...



§ *each* State
public agency

By State law or
regulation

Through interagency
or intra-agency
agreements

Via other
appropriate
methods

Q:

When must a State develop a **system of payments** and have **policies on file** with OSEP?

If a State funds services or functions under Part C by accessing...

- Public benefits or insurance
- Private insurance
- Parent fees



The State must have **written policies** for its system of payments

Q: What Part C functions may *not* be subject to fees?

- Conducting child find
- Evaluation & assessment of child & family
- Service coordination services



- Activities related to: development, review, & evaluation of IFSPs & interim IFSPs
- Use of procedural safeguards
- All Part C services for a child & family if parents are determined “unable to pay”

Must be carried out
at **public expense**

Parents may *not*
be charged

A State's written policies must specify--

What services or functions are subject to the system of payments

Any fees charged to the family as a result of accessing family's benefits or insurance

Basis & amount of fees that may be charged to the family

Any sliding or cost-participation fees that may be charged to parents

A State's written policies must *also* specify **how the State defines**—



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“Ability to pay”

definition of income
& family expenses

“*In*ability to pay”

When & how the
State makes its
determination of
“ability or inability
to pay”

Policies must also include these **assurances**—

Parents will *not* be charged for services child is entitled to receive **at no cost**

Parents' **inability** to pay will *not* result in delay or denial of services

Families will *not* be charged **more than the actual cost** of a Part C service

Families with **insurance** will *not* be charged disproportionately more than families without insurance



STRETCH.



Use
of Parent's Public
Insurance
& Benefits

Ready to
dive in?

For a child or parent *not*
already enrolled in a public
benefits or insurance program

The State may *not* require
a parent to enroll in the
public program as a
condition for receiving
Part C services



Q:

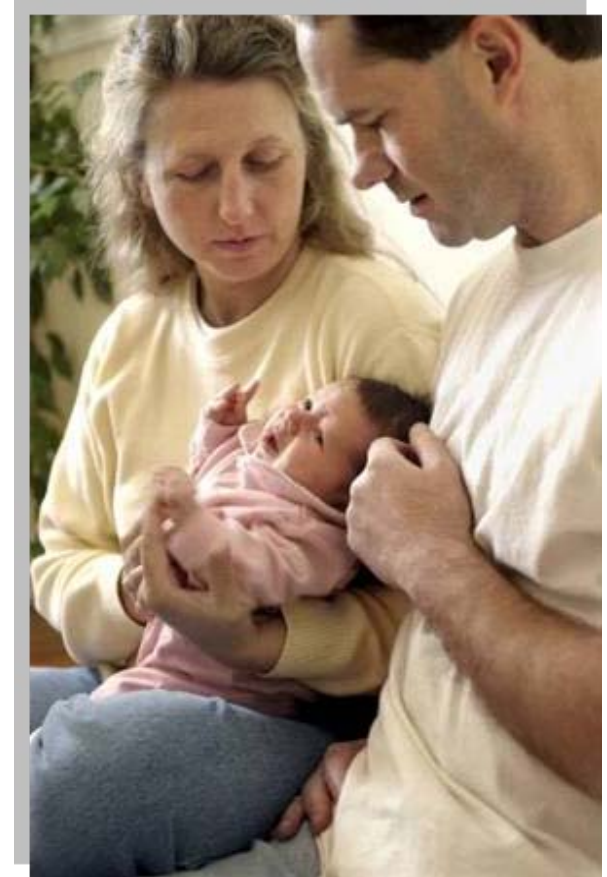
Is parental **consent** needed for the State to access a family's public benefits or insurance?

Yes, parental consent is needed

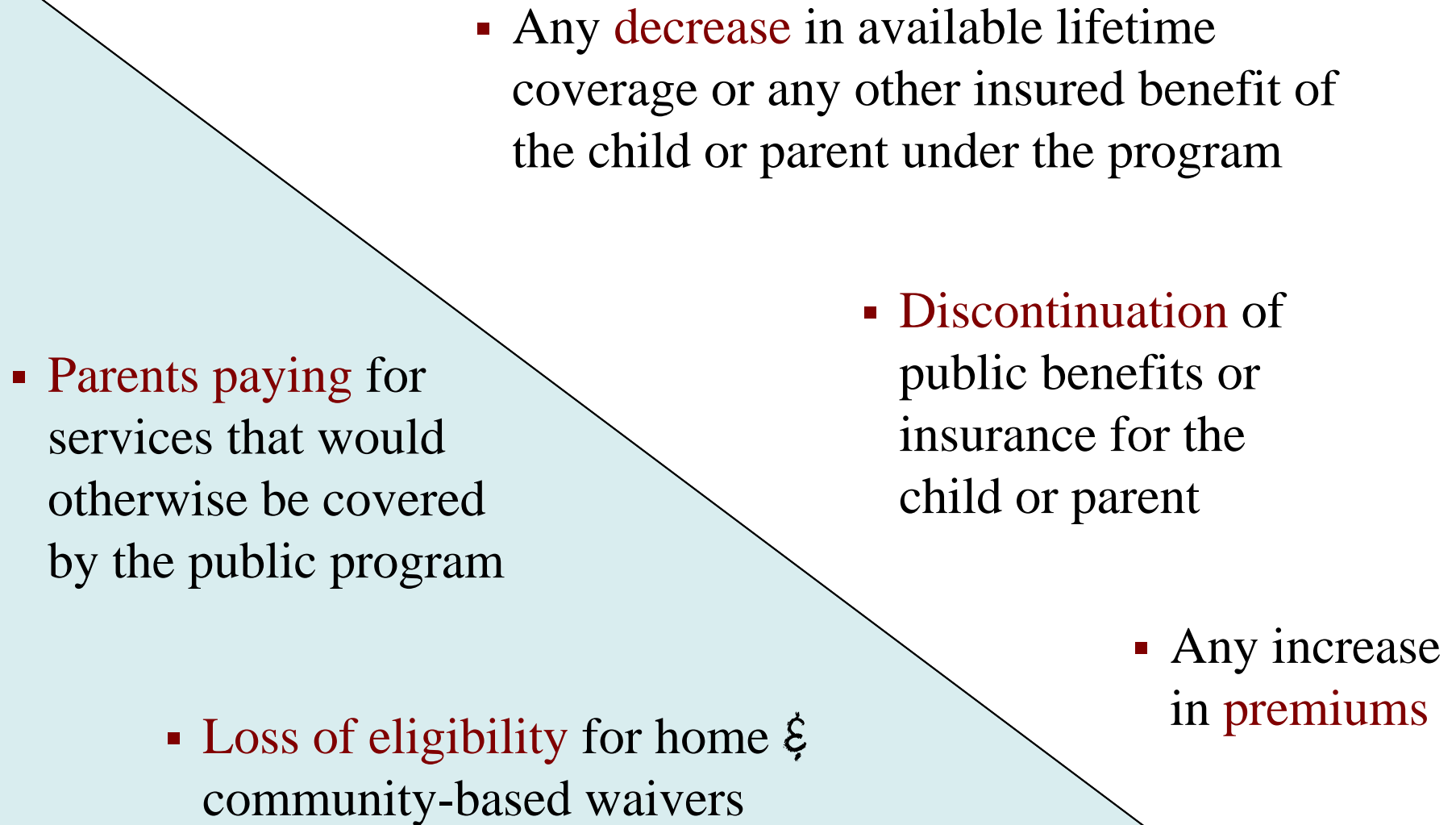
if

using funds from the public program **imposes certain types of costs** on the parent

Costs?



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- 
- Any **decrease** in available lifetime coverage or any other insured benefit of the child or parent under the program
 - **Discontinuation** of public benefits or insurance for the child or parent
 - Any increase in **premiums**
 - **Parents paying** for services that would otherwise be covered by the public program
 - **Loss of eligibility** for home & community-based waivers

If the State requires that *parents pay* the costs incurred when their public insurance or benefits are accessed to pay for EI services

Other costs of accessing a family's public insurance or benefits

- co-payments
- deductibles
- premiums
- required use of private insurance as the primary insurance

Those costs *must* be identified in State's policies



If not, the State *may not* charge those costs to the parent



To ensure that parents are fully informed, the State must—

- provide parents with written notice
- state in the notice the costs the parent will incur
- explain the no-cost protections in the notice

Q:

What happens if a parent does *not* consent to access of public insurance or benefits?



The State must still make available the Part C services on the child's IFSP for which parents *have* provided consent



Guess what
time it is.

Back in the pool...



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Use
of Parent's
Private Insurance



When may *private* insurance be accessed to pay for Part C services?

Only with the parent's consent*



* *Exceptions apply*

Parent consent is required before accessing private insurance to pay for:

- initial provision of an EI service in the IFSP
- increased service provision

Use of private health insurance to pay for Part C services

- *cannot* negatively affect **availability** of health insurance to child, parent, or covered family members

- *cannot* result in **discontinuation** of insurance for child, parent, or covered family members

- *cannot* count towards or result in **loss of benefits** due to annual or lifetime health insurance coverage caps

- *cannot* be basis for any increase in **premiums**

Similarities

If a State allows or mandates use of private insurance to pay for EI services a child & family receive

The State's policies must:

be **in writing**

be included in State's **system of payments**

identify potential **costs** parent may incur & if parent is required to pay those costs

be given to **parents** at specific times

→ Otherwise, State may *not* charge those costs to parents



Final Points



- **How** does a family contest a fee or the determination of its ability to pay?
- **How** are fees & costs collected from families categorized & used?



How does a family contest a fee or the determination of its ability to pay?



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The State's system of payments must include written policies telling parents how they may contest the imposition of a fee or the State's determination of ability to pay, including:

- mediation
- due process
- State complaint
- another procedure set up by the State to resolve financial claims

Q:

How are fees or costs collected from families categorized & used?

Fees & costs collected from families are categorized as **“program income”**

Must be used for the purposes of Part C





Roundup Time!